

Office of Attorney General Terry Goddard



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FOR IMMEDIATE RELEASE

Terry Goddard Announces Settlement with Tucson Equipment Dealer

(Phoenix, Ariz. – Feb. 21, 2008) Attorney General Terry Goddard today announced a \$19,500 settlement with D.W. Phillips, L.L.C., dba Arizona Honda, resolving allegations that the Tucson power equipment dealer used deceptive practices to secure financing for consumers who may not have otherwise qualified for financing.

Arizona Honda sells ATVs, motorcycles, scooters, generators, lawn mowers and other power equipment.

The State alleged that Arizona Honda employees would help customers secure credit cards from a financial institution to purchase ATVs and/or motorcycles. According to the settlement, the State also alleged that employees would note "accessories" as the charge on credit cards and then list that amount as a "Cash Downpayment" or "Total Downpayment" on documents used to secure financing.

According to the State, Arizona Honda's employees did not tell consumers that this practice was an infringement of the financial institution's lending policy and that the consumer may not have otherwise qualified for financing. The State also believes Arizona Honda's sales representatives, finance managers and sales coordinator were aware of this practice.

According to the settlement, Arizona Honda is prohibited from:

- Stating on a "Sales Slip" that a consumer has purchased accessories if the consumer has not purchased accessories.
- Listing credit card purchases as cash on delivery or a cash down payment on documents intended for securing financing.

The settlement requires Arizona Honda to:

- Follow the policies of any financial institution with which Arizona Honda conducts business, as they relate to the sale and financing of merchandise.
- Clearly and conspicuously disclose the fact that a financial institution's policy forbids the use of a credit card for down payments.
- Provide the Arizona Attorney General's Office copies of complaints related to finance issues that it receives from consumers and other agencies for the next two years.

- Pay the Arizona Attorney General's Office \$19,500 in attorney fees.

Assistant Attorney General Taren Ellis handled this case.

If you believe you have been a victim of fraud, please contact the Attorney General's Office in Phoenix at 602.542.5763; in Tucson at 520.628.6504, or outside the metro areas at 1.800.352.8431. To file a complaint in person, the Attorney General's Office has 36 satellite offices throughout Arizona with volunteers available to assist you. For more information or to sign-up for the Attorney General SCAM ALERTS, go to www.azag.gov. Satellite office locations and hours of operation are also posted on the Attorney General's Web site.

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